



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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December 29, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offer of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA – 7041869	\$600,000
(2)	Account Numbers	LAC + USC – 1918673, 2238410 and other outpatient accounts	\$33,333
(3)	Account Number	LAC + USC – 2551699	\$7,500

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offer of settlement for patient account (1) is recommended because the amount is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations. The compromise offers of settlement for patient accounts (2) and (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of revenue totaling approximately \$640,833.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in tort settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and the lawyer.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on this account will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lg (R:\ASTECKER\COMPROMISEBRDLTR#39\LETTER)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: December 15, 2005

Total Charges	\$759,612	Account Number	7041869
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$759,612	Date of Service	07/27/2005 – 10/13/2005
Compromise Amount Offered	\$600,000	% Of Charges	80%
Amount to be Written Off	\$159,612	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: December 15, 2005

Total Charges	\$276,541	Account Number	1918673, 2238410 and other outpatient accounts
Amount Paid	\$0	Service Type	Inpatient and outpatient
Balance Due	\$276,541	Date of Service	09/13/2004 – 10/14/2004 12/13/2004 – 12/30/2004 and other outpatient dates of service
Compromise Amount Offered	\$33,333	% Of Charges	12%
Amount to be Written Off	\$243,208	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$276,541 for medical services rendered. The patient qualified for the Ability-to-Pay Program with no liability. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$33,334	\$33,334	33.4%
LAC+USC Medical Center	\$243,208	\$33,333	33.3%
Patient		\$33,333	33.3%
Total		\$100,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: December 15, 2005

Total Charges	\$36,492	Account Number	2551699
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$36,492	Date of Service	03/04/2005 – 03/10/2005
Compromise Amount Offered	\$7,500	% Of Charges	21%
Amount to be Written Off	\$28,992	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$36,492 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and she is proposing (patient was not represented by an attorney) the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
LAC+USC Medical Center	\$36,492	\$7,500	50%
Other Lien Holders	\$1,202	\$1,202	8%
Patient		\$6,298	42%
Total		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.